



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-650 – Regulations Governing the Determination of Critical Teacher Shortage Areas

Department of Education

April 16, 2008

Summary of the Proposed Amendments to Regulation

The Board of Education (Board) proposes several amendments to these regulations to match changes to Section § 22.1-290.01 of the Code of Virginia generated by Chapter 31 of the 2007 Acts of Assembly. All of the amendments concern the Virginia Teaching Scholarship Loan Program (Program). Additionally, the Board proposes to 1) remove the requirement that each nominating institution be guaranteed one scholarship, 2) repeal the Virginia residency requirement, and 3) allow the Superintendent of Instruction additional flexibility in appointing panel members who determine scholarship recipients when the dollar value of qualified scholarship applications exceed the scholarship appropriation.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

According to the Department of Education (Department) not all institutions nominate scholarship candidates every year despite being well informed of the opportunity. Consequently, the Board proposes to remove the requirement that each institution be guaranteed one scholarship in the Program. The Department does plan to continue to try to give scholarships to students at every approved teacher education program. Thus, the repeal of this requirement will likely not affect what occurs in practice.

Further, the Board seeks to remove the requirement of Virginia residency for applicants. As a result of this change, additional individuals would be eligible to participate in the Program.

For example, an individual residing in the District of Columbia or Maryland who is training to be a teacher at George Mason University and meets all other criteria would become eligible to receive the scholarship with the removal of the residency requirement. The Program requires scholarship recipients to teach in Virginia for the same number of years as they received the scholarship. Thus, this proposed amendment may moderately increase the supply of teachers in Virginia. Given the difficulty school divisions at times have finding highly qualified teaching candidates, increasing the supply of teachers is clearly beneficial.

The current regulations specify that panel members who determine scholarship recipients when the dollar value of qualified scholarship applications exceed the scholarship appropriation must include teachers, college and university faculty, members of professional organizations, and Department personnel. The Board proposes to permit the Superintendent of Instruction the flexibility to appoint panel members as she or he sees fit. The proposed increase in flexibility in choosing panel members would allow decisions to be made in a timelier manner. As long as reasonable representation is maintained and decisions are made equitably, this proposed change will likely produce a small net benefit.

Businesses and Entities Affected

The proposed amendments affect the 37 approved teacher education programs in the Commonwealth, as well as individuals interested in participating in the Virginia Teaching Scholarship Loan Program. Approximately 200 scholarships are granted per annum.¹

Localities Particularly Affected

All Virginia localities are affected by these regulations. Localities adjacent to the state border may be particularly affected by the elimination of the residency requirement for the scholarship.

Projected Impact on Employment

The proposed amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the value of private property in the short run. In the long run increasing the supply of qualified teachers may allow

school divisions to be more selective in whom they hire. Better teachers may lead to students becoming more productive adults. The increase in supply will likely be small so the long-run impact will likely be small as well.

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments are unlikely to significantly affect small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.

¹ Source: Department of Education